



Economic and Social Council

Distr.
GENERAL

E/CN.17/1996/20/Add.5
29 February 1996

ORIGINAL: ENGLISH

COMMISSION ON SUSTAINABLE DEVELOPMENT
Fourth session
18 April-3 May 1996

PROGRESS IN THE IMPLEMENTATION OF THE PROGRAMME OF
ACTION FOR THE SUSTAINABLE DEVELOPMENT OF SMALL
ISLAND DEVELOPING STATES

Report of the Secretary-General

Addendum

Sustainable development of air transport in
small island developing States

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
INTRODUCTION	1 - 2	2
I. WORLD-WIDE DEVELOPMENTS OF RELEVANCE TO SMALL ISLAND DEVELOPING STATES	3 - 8	2
II. CARIBBEAN SMALL ISLAND DEVELOPING STATES	9 - 14	3
III. PACIFIC SMALL ISLAND DEVELOPING STATES	15 - 17	5
IV. AFRICAN SMALL ISLAND DEVELOPING STATES	18 - 20	6
V. OTHER SMALL ISLAND DEVELOPING STATES	21 - 22	6
VI. SPECIFIC ASPECTS OF AIR TRANSPORT	23 - 27	7
VII. RECOMMENDATIONS FOR ACTION	28 - 35	8

INTRODUCTION

1. The Programme of Action for the Sustainable Development of Small Island Developing States, in chapter XII, groups air transport together with other transport modes (primarily shipping) and with communications. In so far as they relate to air transport, the sections relating to action at the national, regional and international levels call for:

(a) Continued efforts to strengthen transport services and facilities at both the national and local levels, with particular attention to environmental protection, safety and innovative energy-efficient and low-cost transport solutions;

(b) Fostering increased cooperation at the regional level, including exploring possibilities for the consolidation of national airline services;

(c) Improving access to financial and technical resources in support of regional organizations that are coordinating and advising small island developing States in the field of transport;

(d) Promoting research and development in transportation relevant to the sustainable development of small island developing States;

(e) Actions aimed at addressing quarantine problems at the national, regional and international levels. 1/

2. The main developments that have taken place since the Barbados Conference relate to subparagraphs 1 (a) and (b) above.

I. WORLD-WIDE DEVELOPMENTS OF RELEVANCE TO SMALL ISLAND DEVELOPING STATES

3. Air transport continues to grow more rapidly than the world economy as a whole. In 1994, the total scheduled traffic carried by the world's airlines increased by 9 per cent over 1993 and preliminary estimates for 1995 indicate a further 7 per cent increase over 1994. This compares with an average annual growth rate of 5.5 per cent over the 10 years between 1984 and 1994. 2/

4. International air services are generally subject to economic regulation through intergovernmental agreements and arrangements, usually on a bilateral basis. These often regulate such aspects as the routes to be operated, the designation of airlines to operate routes, the amount of capacity that airlines may offer, and the tariffs to be charged to passengers and shippers. In recent years, some States, notably in North America and Europe, have been taking a more "hands-off" approach to economic regulation, giving airlines more freedom to exercise commercial judgement and creating conditions conducive to increased competition. In late 1994, the International Civil Aviation Organization (ICAO) held a world-wide air transport conference, at which States exchanged views on the future regulation of air transport. Although some States favoured increased liberalization, many small island developing States were concerned that

/...

increased competition would adversely affect their national airlines as well as the availability of adequate, regular international air transport. In the absence of agreement on a common approach, the conference recognized that each State would determine its own path and pace of change in international air transport regulation, on the basis of equality of opportunity and using bilateral, subregional and/or global avenues according to circumstances. The conference also recognized that liberalized arrangements at the subregional or regional level provide valuable experience as regards the content, process and structure of regulatory change.

5. As a result of increased costs and competition, structural changes are taking place in the air transport industry. These include the privatization of many government-owned airlines, the formation of commercial alliances between airlines and various forms of inter-airline cooperation.

6. Many developments in international air transport will inevitably affect small island developing States. For, example, with international airlines being encouraged to use their own commercial judgement, their services to and from small island developing States will become increasingly based on unpredictable and rapidly changing market forces rather than on more constant public service considerations. Governments of small island developing States may face the difficult task of weighing the need to protect or subsidize their national airlines against the need to allow greater market access for competing airlines to achieve other national objectives such as the development of tourism. In addition, the airlines of small island developing States will have difficult decisions to make on the extent to which they should cooperate with one another and with the major international airlines, bearing in mind that these airlines may also be their competitors.

7. Various technological changes are also taking place in air transport, such as the introduction of the ICAO satellite-based communications, navigation, surveillance/air traffic management (CNS/ATM) systems and of new developments in aeronautical meteorology, including the World Area Forecast System (WAFS) satellite broadcasts. Like other States, small island developing States will need to adapt to these various technological changes.

8. Against this background, the following sections summarize the present air transport situation for small island developing States, including significant developments since the Barbados Conference. Since, in air transport terms, many small island developing States have common characteristics, four groupings of those States are considered separately, namely, those in the Caribbean, the Pacific and Africa and others.

II. CARIBBEAN SMALL ISLAND DEVELOPING STATES

9. In view of the economic importance of tourism, there is a particular need for air services to the main tourist-generating markets, notably in North America. In practice, most small island developing States have frequent non-stop services from several points in North America or, failing that, non-stop or "island-hopping" services to hub airports, both inside the region (such as Antigua and Barbuda) and outside it (such as Miami), where onward

/...

connections can be made. Some Caribbean small island developing States also have services to Europe and South America. With inter-island distances relatively short, most Caribbean small island developing States have services to neighbouring islands.

10. Several Caribbean small island developing States (including Aruba, the Bahamas, Cuba, the Dominican Republic, Haiti, Jamaica, the Netherlands Antilles and Trinidad and Tobago) have their own scheduled airlines, while most of the small island developing States in the eastern Caribbean are co-owners of a regional airline - Leeward Islands Air Transport (LIAT). Financial information is available for about one half of these scheduled airlines, and in most cases their recent operations have not been profitable. In addition, there are a number of small operators undertaking non-scheduled operations within the region. Caribbean small island developing States are also served by North American, European and other airlines.

11. Since the Barbados Conference, there have been a number of significant air transport developments affecting Caribbean small island developing States, at both the government and the airline levels.

12. Heads of State and Government and representatives of the States, countries and territories of the Association of Caribbean States (ACS), at their inaugural summit in August 1995, adopted a Declaration of Principles and Plan of Action on Tourism, Trade and Transportation. Concerning transportation, they stressed the importance of the principles of easy access and equal opportunity to affordable air (and maritime) transportation as indispensable factors in the economic integration of the ACS region. In this regard, the ultimate goal was articulated to be the provision of a sustainable, efficient, profitable, readily differentiated and significantly higher quality service to the travelling and cargo shipping communities at reasonable rates. More specifically, with regard to air transportation, they agreed to examine the existing regulatory and operational framework within the ACS region; evaluate the scope for negotiating air services agreements on a group basis; take steps to improve facilitation at airports; consider simplification of visa requirements; and encourage increased cooperation among ACS airlines.

13. In addition, many of the English-speaking Caribbean States have been drafting a multilateral agreement concerning the operation of air services within the Caribbean Community. It is anticipated that this will be finalized in 1996, creating an air transport regulatory framework that would provide for a more liberal and transparent exchange of commercial route rights.

14. Significant developments at the airline level include:

(a) The privatization of Air Jamaica, BWIA (Trinidad and Tobago) and LIAT, with their respective Governments retaining shareholdings, and the announcement of a commercial alliance between LIAT and BWIA (now the largest investor in LIAT);

(b) The creation of a new airline, Carib Express, whose owners include British Airways and the Governments of Barbados, Dominica, Grenada, Saint Lucia

and Saint Vincent and the Grenadines, commencing inter-island operations in February 1995;

(c) The take-over of Trans-Jamaican Airlines by Air Jamaica;

(d) The creation of commercial alliances and of new code-sharing agreements between some other pairs of airlines.

III. PACIFIC SMALL ISLAND DEVELOPING STATES

15. Most Pacific small island developing States have air services to some neighbouring island countries, many of which are also small island developing States. Many also have direct services (non-stop or stopping) to Australia and/or New Zealand, which are important tourist-generating markets, and a few have services to Honolulu or points on the United States west coast, or to points in Asia. However, in most cases, the service frequencies (number of flights per week) on international routes are low. Domestic air services have also been developed by many of the Pacific small island developing States, particularly those with many inhabited islands or with communities that are not easily accessible by road (e.g., Papua New Guinea).

16. Most Pacific small island developing States have their own airlines, but some do not. These national carriers are mostly government-owned and, in the case of the Fiji-based Air Pacific, Governments of some other small island developing States have minority shareholdings. Financial information is available for about half of these airlines, and in most cases their recent operations have not been profitable, an exception being Air Pacific in 1994. For various reasons, including the introduction of longer-range aircraft, major international airlines have progressively withdrawn from serving Pacific small island developing States, with the result that they now only serve a few of them, the most active international carrier being Air New Zealand.

17. Since the Barbados Conference, some consideration has been given to the transportation problems facing Pacific small island developing States by the Economic and Social Commission for Asia and the Pacific (ESCAP), although no specific air transport proposals have yet emerged. At the airline level, significant air transport developments affecting Pacific small island developing States include:

(a) Expansion of services by Air Pacific, including the introduction of services to North America in 1994 and new services to Asian destinations under consideration;

(b) The planned creation of a new airline in Palau;

(c) Increased commercial links between the Australian airline Qantas and some of the national airlines, including an increased shareholding in Air Pacific;

(d) The announcement in February 1995 of a wide-ranging commercial alliance between Air New Zealand and Polynesian Airlines, the airline of Samoa;

/...

(e) The introduction of various cooperative arrangements between some of the inter-island carriers regarding the use of individual aircraft (including aircraft sharing and joint flights) and sharing of the seats on individual flights;

(f) Other forms of inter-airline cooperation within the Association of South Pacific Airlines.

IV. AFRICAN SMALL ISLAND DEVELOPING STATES

18. With Cape Verde and Sao Tome and Principe located off the west coast and with the Comoros, Mauritius and Seychelles widely separated in the Indian Ocean, this group of small island developing States is geographically dispersed. As a result, in air transport terms, they have much less in common than the Caribbean or the Pacific small island developing States.

19. All of the African small island developing States have air services to some of the neighbouring countries on the African continent. Most of them also have direct services (non-stop or stopping) to some of the more important tourist-generating markets in Europe, while Mauritius also has services to some points in Asia. Cape Verde continues to be an intermediate stop for some long-haul transatlantic services. However, in most cases, the service frequencies on international routes are low. In addition, all of the African small island developing States have domestic air services and have their own airlines, which operate both international and domestic services. While Air Mauritius was profitable in 1993, little is known about the financial performance of the other airlines.

20. Since the Barbados Conference, there do not appear to have been any significant air transport developments specifically affecting African small island developing States.

V. OTHER SMALL ISLAND DEVELOPING STATES

21. In air transport terms, the other small island developing States have little in common with one another or with the Caribbean, Pacific and African small island developing States. Singapore has one of the busiest international airports in the world and one of the most successful international airlines. Bahrain, owing in part to its strategic geographical position, has frequent international air services to many destinations, and Gulf Air (jointly owned by the Governments of Bahrain, Abu Dhabi, Qatar and Oman) has an extensive international route network and is profitable. Both Cyprus and Malta have frequent air services to many Mediterranean countries and to the important tourist-generating markets in northern Europe, and both have profitable national airlines. Maldives has services to neighbouring points in India and Sri Lanka and to a few other international destinations, although service frequencies are low.

22. Since the Barbados Conference, significant air transport developments affecting these other small island developing States include:

/...

- (a) The announcement by Singapore Airlines of a multi-billion dollar aircraft order in 1994, followed by another in 1995;
- (b) Consideration of the privatization of Gulf Air;
- (c) The commencement of transatlantic operations by Cyprus Airways and by Air Malta, both through joint services with other airlines;
- (d) The commencement of international operations by Air Maldives.

VI. SPECIFIC ASPECTS OF AIR TRANSPORT

23. The Programme of Action for the Sustainable Development of Small Island Developing States calls for particular attention to be given to environmental protection, safety and innovative energy-efficient and low-cost transport solutions, and also refers specifically to quarantine problems.

24. With regard to environmental protection, it is unlikely that the principal environmental problems associated with air transport elsewhere in the world, namely, aircraft noise and the impact of aircraft engine emissions, would be significant in a small island developing States context because of the relatively small traffic flows in most cases. For these States, of potentially greater significance are the environmental problems associated with airport construction and expansion (such as loss of land and soil erosion; impact on water tables, river courses and field drainage; and impact on flora and fauna), particularly if this occurs in coastal areas, and with airport operations (such as water pollution caused by inadequate treatment of contaminants in airport waste water or by leakage from storage tanks; disposal of environmentally harmful materials used in aircraft servicing and maintenance; and disposal of waste from the airport and incoming aircraft). Small island developing States may obtain guidance on airport planning from ICAO. 3/

25. With regard to safety, small island developing States largely share the same concerns as other developing States, although the extreme weather conditions experienced by some small island developing States may pose additional problems. Through ICAO, States have achieved agreement on the necessary level of standardization for the operation of safe, regular and efficient air services. In turn, this has resulted in high levels of reliability being achieved in all the many areas that collectively make up international civil aviation. This has particularly been so with respect to aircraft, the crews that operate them and the ground-based facilities and services. The necessary standardization has been achieved through the creation of specifications known as International Standards and Recommended Practices (SARPS), as annexes to the Convention on International Civil Aviation. A standard is a specification the uniform application of which is necessary for the safety or regularity of international civil air navigation, while a recommended practice is one agreed to be desirable but not essential. However, many small island developing States have not indicated their compliance with or differences from these provisions, as article 38 of the Convention requires. In addition to the SARPs, ICAO also formulates Procedures for Air Navigation Services (PANS), which comprise, for the most part, operating practices as well

/...

as material considered too detailed for SARPs. In October 1994, the ICAO Council agreed to establish an ICAO safety oversight programme incorporating, as its core function, safety oversight assessments of States on a voluntary basis by ICAO teams, with the objective of identifying deficiencies and providing relevant advice and assistance in addressing these deficiencies, as necessary, to enable States to implement the relevant SARPs.

26. With regard to innovative energy-efficient and low-cost transport solutions, there has been no significant progress since the Barbados Conference.

27. With regard to quarantine problems, most small island developing States adopt "in quarantine" measures as defined by the World Health Organization (WHO) to prevent the spread of disease - notably yellow fever - carried by reservoirs of disease or vectors of diseases. Some States also require disinsecting of aircraft to ensure that this objective is achieved and that the area within the airport perimeter is kept free of mosquito vectors of malaria and other diseases. However, more than 20 small island developing States have not indicated to ICAO their compliance with or differences from annex 9 (Facilitation) - which contains several provisions on disinsecting of aircraft and quarantine measures - making it difficult to determine the extent to which health regulations are applied to air transport in these States. ICAO and WHO collaborate closely on issues of public health related to air transport. Significant developments since the Barbados Conference include a recommendation by the Eleventh Session of the Facilitation Division of ICAO (April 1995) that ICAO and WHO should draft joint guidelines relating to quarantine and disinsecting of aircraft, in order to enable States to adopt appropriate measures in the interest of public health and air transport.

VII. RECOMMENDATIONS FOR ACTION

A. At the national level

28. As required by the Convention of International Civil Aviation (article 38), the many small island developing States that have not responded to ICAO indicating their positions with regard to the ICAO International Standards and Recommended Practices (contained in the annexes to the Convention) should indicate their compliance with or differences from these provisions.

29. Small island developing States should familiarize themselves with current technological developments of relevance to air transport, such as CNS/ATM systems and the ICAO flight safety programme, with a view to ensuring active participation on an individual or subregional basis in global programmes related to these developments. Small island developing States may obtain guidance from ICAO in the formulation of projects, location of donors for the funding of such projects, and implementation of projects.

30. Wherever possible, human resources development should be introduced in such areas as air traffic control, airport management, aviation security, flight operations and airworthiness, air transport regulation and air law.

/...

31. Small island developing States should participate more actively in the ICAO Statistics Programme, which provides data on air transport that would be of value to those countries in their future planning. To that end, small island developing States should ensure that their international airlines file with ICAO their traffic reports, cost statistics and financial statements, as required by the Convention on International Civil Aviation (article 67).

B. At the regional level

32. It is recommended that regional projects be formulated for the evaluation and creation of air transport master plans for groupings of small island developing States. The groupings would be based on those identified above, namely:

- (a) Caribbean small island developing States;
- (b) Pacific small island developing States;
- (c) West coast and Indian Ocean African small island developing States, respectively.

33. This recommendation excludes the other small island developing States (Bahrain, Cyprus, Maldives, Malta and Singapore), except in so far as it may be appropriate to include Maldives in the regional project for African small island developing States in the Indian Ocean.

34. These projects would cover all the action items identified in the Programme of Action and would seek to address the air transport challenges facing these groupings of small island developing States, such as, in order of priority:

- (a) Ensuring compliance with International Standards and Recommended Practices (SARPs) and implementation of measures related to the ICAO flight safety programme;
- (b) The availability of aviation management skills and of suitably trained manpower, and associated training requirements;
- (c) The impact on small island developing States of technological changes taking place (CNS/ATM etc.);
- (d) Difficulties experienced in obtaining funding for aviation projects;
- (e) Problems associated with distance and isolation (such as relatively high transport costs, including both fuel and insurance);
- (f) The impact on small island developing States of changes taking place in the economic regulation of air transport, including exploring the scope for more regional cooperation with regard to the regulatory aspects of air transport, such as joint negotiation of air transport agreements;

/...

(g) The impact on small island developing States of commercial changes taking place in the air transport industry, including exploring the scope for greater cooperation (both commercial and technical) between airlines within the small island developing States grouping concerned and with other international airlines;

(h) Finding possible strategies for dealing with potential conflicts between small island developing States' air transport policies and their tourism policies;

(i) The availability of reliable communications.

C. At the international level

35. The international community should sponsor studies, for example by aircraft manufacturers, to investigate the feasibility of developing innovative energy-efficient and low-cost transport solutions that would be of benefit to small island developing States.

Notes

1/ Report of the Global Conference on the Sustainable Development of Small Island Developing States, Bridgetown, Barbados, 25 April-6 May 1994 (A/CONF.167/9 and Corr.1 and 2) (United Nations publication, Sales No. E.94.I.18 and corrigenda), chap. I, resolution 1, annex II.

2/ Based on data collected by the International Civil Aviation Organization from its 184 contracting States. The traffic unit used is ton-kilometres performed (that is, a combined measure of passenger, freight and mail traffic, which also takes into account the distance (flown)).

3/ For example, Airport Planning Manual (Doc. 9184-AN/902), Part 1, Master Planning (2nd ed., 1987), Part 2, Land Use and Environmental Control (2nd ed., 1985), Part 3, Guidelines for Consultant/Construction Services (1st ed., 1983).
